

**MULTILATERAL TRADE  
NEGOTIATIONS  
THE URUGUAY ROUND**

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Meeting at Ministerial Level  
Brussels, December 1990

CHILE

Statement by His Excellency Mr. Carlos Ominami,  
Minister of the Economy

I should like to convey the Chilean Government's gratitude to the Belgian authorities for their hospitality at this important meeting which is bringing to an end four years of intensive and difficult multilateral trade negotiations.

Chile, whose economy is open to foreign trade, enthusiastically supports the liberalization of trade in goods and services and the need for a trade environment in which loyal competition prevails.

For this reason, we are also ardent advocates of progress in the direction of our continent's integration, the objective of such integration being active participation in international trade and certainly not withdrawal into a protected zone in search of autarky.

Chile is approaching this final stage of negotiations in a constructive spirit, determined to co-operate so that successful results can be achieved. That is our firm resolve.

We recognize the crucial importance of strengthening the multilateral trade system and of having transparent trade regulations that are non-discriminatory and applicable to all contracting parties on an equal footing. For this reason we are prepared to assume greater commitments and fulfil them faithfully in accordance with our country's traditions. We are in favour of discipline, both unilateral as well as multilateral, which we believe offers the opportunity of providing greater benefits for all participants in world trade.

Chile, which is a developing country, made a substantial contribution during the Tokyo Round, through its across-the-board binding of tariffs at 35 per cent, and on that occasion subscribed to the Codes on import licences, subsidies and technical barriers to trade.

By way of confirming our continued commitment to the system, the Government has decided to offer a further reduction in its across-the-board tariff binding.

The amount of this reduction will of course be determined in the light of the improved access that Chile obtains for the products it has to export. Similarly, we are considering the possibility of subscribing to the rest of the Codes if we find that the negotiations offer real benefits

in terms of market access and the improvement or establishment of standards such as would be offered by an agreement on sanitary and phytosanitary measures.

It should be borne in mind that Chile does not apply any quantitative restrictions and has not invoked any safeguard measures for balance-of-payment reasons during the past eleven years despite the fact that it has experienced serious payments imbalances owing to the economic crisis of 1982 and the high level of its external indebtedness.

This is tangible proof that we are convinced of the advantages of an open system and of the fact that, in order to achieve more rapid development, we have to increase our exports and compete on fair and equitable conditions reflecting standards of efficiency and competitiveness.

Chile is committed to this liberalization effort despite the enormous challenges that our democracy must meet at the social level. In point of fact, social reasons justifying the adoption of protectionist attitudes or a demand for greater advantages are not lacking. Yet we do not intend to invoke such reasons.

In the circumstances, therefore, the question of agriculture is of particular relevance to Chile which has, therefore, been a member of the Cairns Group since its establishment, acted as host to one of its meetings and subscribed to all the agreements that have been adopted on the subject. It is also worth mentioning the recent meeting of the Ministers of Agriculture of Argentina, Chile and Uruguay, at which once again all positions were in keeping with this line of thinking. We appeal for flexibility on each product in this sector, since any agreements reached on them will also facilitate agreements in other areas such as services, trade-related aspects of investment measures and intellectual property.

As for the new subjects, the Chilean economy possesses the appropriate regulations concerning services ensuring that agents in various sectors operate in a competent and open manner; in certain cases, however, it will be necessary to amend or draw up regulations that are more suitable for the trade and development of services which are regulated to a lesser extent. The conclusion of a framework agreement will provide trade in such services with a legal basis, ensuring that it develops in a more transparent, non-discriminatory, stable and foreseeable fashion which will be to the advantage of the contracting parties. We are also prepared to subscribe to initial commitments that we feel should be negotiated during 1991.

In the services sector, therefore, we call for an automatic and unconditional most-favoured-nation clause that is not hedged about by excessive exceptions that distort it. We also believe that there should be no sectorial exceptions to the most-favoured-nation clause since they could transform the framework agreement on services into a jumble of provisions without any real meaning.

Chile has a body of attractive legislation on foreign investment that contains provisions concerning taxation and the repatriation of capital but does not specify the form that investments or so-called TRIMs should take. It also offers non-discriminatory treatment to the foreign investor. As already mentioned, we would like to reform the multilateral system so that international trade can take place with a minimum amount of distortion, and it is for this reason that we are prepared to enter into commitments on this subject.

As regards the trade-related aspects of intellectual property rights, Chile wholeheartedly supports the goal of protection - to such an extent, indeed, that Parliament has just approved a new law on industrial property that brings our legislation into line with present-day conditions. Consequently we are in a position to concur in the adoption of an agreement on this subject and would call only for a few slight modifications of the text submitted to us at this meeting.

On the other hand, we observe with considerable concern that little or nothing has been done in respect of natural resource-based products. Yet the Punta del Este mandate was crystal clear in this respect, namely, that "the fullest liberalization" of trade in these products had to be achieved.

My country considers that the commitment assumed at Punta del Este must be honoured and that for the rest of this week we should seek imaginative approaches enabling us to make progress.

Perhaps in the near future, after we have resolved many of the problems that at present hamper trade, we will realize that we failed to pay sufficient heed to the major problem that will be confronted by future generations, namely, the systematic destruction of the environment.

Consequently it is obvious that when we talk of free trade in goods and services we do so in the belief that such trade will protect nature and the environment and not destroy them. This is a topic of capital importance to us and underlies many aspects of current negotiations. For example, as regards trade in goods, we support studies of the subject of exports of goods whose sale is prohibited in the country of origin and also endorse the idea of prohibiting exports of harmful waste. Similarly, in the services sector, we are in favour of exceptions for environmental reasons.

For a number of reasons, Mr. Chairman, it is imperative that this Round should be successful, for in the final analysis protectionism is extremely costly not only in economic and social terms but also in terms of jobs lost and inefficiency due to the incorrect allocation of resources. Similarly, the formation of closed trading blocs and the exercise of trading power without clear-cut rules increases the vulnerability of countries such as Chile that sincerely wish to contribute to the integration of the international economy. Yet there is an even more general and decisive argument, namely, that the credibility of the international community would suffer seriously if the efforts made during four years of negotiations failed to yield acceptable results.

For these reasons, I would urge all delegations, of developed as well as developing countries, to negotiate in a constructive and flexible manner. More particularly we would invite the more developed countries to achieve greater consistency between talk about free trade and practical action on international commitments and disciplines, and the developing countries to assume commitments both large and small without fear.

Chile intends to tackle both the old as well as the new questions at issue in this positive spirit, bearing in mind the objectives of liberalization and equal advantages for all contracting parties with a view to achieving results in keeping with the growing interdependence of the international economy.

We all agree with the diagnosis that has emerged during the past few years, namely that a new international situation is offering us major opportunities. What we must do now is to act accordingly by assuring commitments offering protection commensurate with the new circumstances.